

**ASSOCIATION of
GOVERNMENTS**

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MEETING OF THE

RHNA REFORM TASK FORCE

**Tuesday, November 18, 2008
10:00 a.m. – 12:00 p.m.**

**SCAG Offices
818 West 7th Street, 12th Floor
Conference Room *San Bernardino A & B*
Los Angeles, CA 90017
213.236.1800**

Video Conference and Teleconference available

Video Conference Location

**Riverside SCAG Office
3600 Lime Street, #216
Riverside, CA 92501**

If members of the public wish to review the attachments or have any questions on any of the agenda items, please contact *Deborah Craney at 213.238.1891 or craney@scag.ca.gov*

SCAG, in accordance with the Americans with Disabilities Act (ADA), will accommodate persons who require a modification of accommodation in order to participate in this meeting. If you require such assistance, please contact SCAG at (213) 2361868 at least 72 hours in advance of the meeting to enable SCAG to make reasonable arrangements. To request documents related to this document in an alternative format, please contact (213) 236-1868.

The Regional Council is comprised of 83 elected officials representing 168 cities, six counties, five County Transportation Commissions, Imperial Valley Association of Governments and a Tribal Government representative within Southern California.

RHNA Reform Task Force Membership

November 2008

Dixon, Richard – Chair

Lake Forest

Members

Baldwin, Harry
Beauman, John
Becerra, Glen
Bone, Lou
Clark, Margaret
Edney, Jon
Gilbreath, Pat
Hanks, Keith
Lowe, Robin
McCallon, Larry
Morehouse, Carl
Murray, Kris
Parks, Bernard
Stone, Jeff

Representing

San Gabriel
Brea
Simi Valley
Tustin
Rosemead
El Centro
Redlands
Azusa
Hemet
Highland
Ventura
Orange County, OCBC, Ex-Officio
Los Angeles
Riverside County

RHNA REFORM TASK FORCE

AGENDA

NOVEMBER 18, 2008

=====

TIME PG#

The RHNA Reform Task Force may consider an act upon any of the items listed on the agenda regardless of whether they are listed as information or action items.

1.0 **CALL TO ORDER & PLEDGE OF ALLEGIANCE**
(Hon. Richard Dixon, Chair)

2.0 **PUBLIC COMMENT PERIOD** – Members of the public desiring to speak on items on the agenda, or items not on the agenda, but within the purview of the Task Force, must fill out and present a speaker's card to the Assistant prior to speaking. The RHNA Reform Task Force may consider and act upon any of the items listed on the agenda. Comments will be limited to three minutes. The President may limit the total time for all comments to twenty minutes.

3.0 **REVIEW AND PRIORITIZE AGENDA ITEMS**

4.0 **CONSENT CALENDAR**

4.1 **Approval Items**

4.1.1 Mintues of October 28, 2008

Attachment 5 min 1

5.0 **ACTION ITEMS**

5.1 **SCAG Report #2: Guiding Principles and Reform Options**
(Mike Madrid, SCAG Consultant)

Attachment 45 min 5

Recommended Action: Adopt guiding principles to frame the discussion and parameters for RHNA Reform deliberations.



RHNA REFORM TASK FORCE

AGENDA

NOVEMBER 18, 2008

=====

TIME PG#

6.0 INFORMATION ITEMS

6.1 Legislative Update (Jeff Dunn, SCAG Staff)

Staff will give an updated report on Legislative issue related to RHNA.

6.2 Draft Westside Cities Workforce Housing Study Dated November 2008 (Joseph Carreras, SCAG Staff)

Attachment 20 min 13

7.0 CHAIR'S REPORT

8.0 STAFF REPORT

9.0 FUTURE AGENDA ITEMS

Any Committee member or staff desiring to place items on a future agenda may make such request.

10.0 ANNOUNCEMENTS

11.0 ADJOURNMENT



**RHNA REFORM TASK FORCE
of the
SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS**

**October 28, 2008
Minutes**

THE FOLLOWING MINUTES ARE A SUMMARY OF ACTIONS TAKEN AND/OR DISCUSSIONS BY THE RHNA REFORM TASK FORCE. AN AUDIOCASSETTE TAPE OF THE ACTUAL MEETING IS AVAILABLE FOR LISTENING AT SCAG'S DOWNTOWN LOS ANGELES OFFICE.

The RHNA Reform Task Force held its meeting on October 28, 2008 at SCAG's downtown Los Angeles office.

Members Present

Beauman, John (via teleconference)	Brea
Becerra, Glen	Simi Valley
Bone, Lou	Tustin
Clark, Margaret	Rosemead
Dixon, Richard (Chair)	Lake Forest
Gilbreath, Pat (via videoconference)	Redlands
Hanks, Keith	Azusa
Lowe, Robin (via videoconference)	Hemet
McCallon, Larry	Highland
Morehouse, Carl	Ventura
Murray, Kris	Orange County, OCBC, Ex-Officio

Members Not Present

Baldwin, Harry	San Gabriel
Edney, Jon	El Centro
Parks, Bernard	Los Angeles
Stone, Jeff	Riverside County

SCAG Staff

Joann Africa
Joe Carreras
Ping Chang
Hasan Ikhrata
Jacob Lieb
Huasha Liu

1.0 CALL TO ORDER & PLEDGE OF ALLEGIANCE

The meeting was called to order by the Chair, Richard Dixon.

2.0 PUBLIC COMMENT PERIOD

Public comments were heard later in the meeting.

3.0 WELCOME

President Dixon welcomed everyone to the first RHNA Reform Task Force meeting, and stated that the primary purpose of the first meeting was to have an open dialog and exchange of ideas and information. President Dixon stated that he has established four priorities for moving SCAG into the future: 1) Regional Aviation Planning; 2) Goods Movement; 3) Assisting cities with the implementation of SB 375 and AB 32; and 4) Establishing the RHNA Reform Task Force.

Hasan Ikhrata, SCAG's Executive Director, stated that as the RHNA is an unfunded state mandate, it presents a significant financial burden to SCAG, and SCAG cannot afford to continue the RHNA process without some reform. Mr. Ikhrata encouraged the task force to take this exercise very seriously.

4.0 INFORMATION ITEMS

4.1 RHNA Reform Principles; 2002 and 2005

Joe Carreras, SCAG staff, introduced the Guiding RHNA Principles for 2002 and 2005, and provided historical information on the RHNA process and how it has evolved over the years.

4.2 Most Recent Reforms in RHNA and Housing Element Law

Jacob Lieb, SCAG staff, stated that he participated in the statewide housing element reform working group in 2002 and 2003, which led to the passage of AB 2158. Mr. Lieb provided some general observations about what typically happens in a housing element reform discussion, in terms of stakeholders and issues that arise in Sacramento. Mr. Lieb provided an overview of housing element legislation, and how it relates to local government, metropolitan planning organizations, the building industry and the business community. Mr. Lieb emphasized that there are well-organized and motivated constituencies on both sides of the housing issue.

4.3 RHNA Reform Work Plan

Mike Madrid, with Madrid & Associates, provided some background on his experience working with various political organizations and local jurisdictions. Mr. Madrid stated that his expertise is in influencing public opinion, and noted that gaining the support of the public will be extremely important in taking the first steps toward RHNA reform.

President Dixon stated that in order for the task force to be successful, it will require three key components working together: 1) Elected officials and members of the task force making the policy recommendations; 2) SCAG staff providing the technical expertise; and 3) Mr. Madrid providing the strategy for implementation of the reform process. President Dixon referred to the timeline

presented in the agenda packet and stated that one major component is during the week of November 17th, when the reform issues will be presented to private sector partners, including the Building Industry Association, the Orange County Business Council, and The Irvine Company. President Dixon further stated that another important part of the outreach will be to gain the support of the other Council of Governments within the state.

A discussion ensued regarding various topics including: 1) whether or not local and state government should control land use issues; and 2) the criteria used for arriving at the RHNA numbers. The task force agreed that if SCAG continues to be responsible for the RHNA process, then the methodologies of the process will need to be examined to facilitate a less cumbersome process for the jurisdictions involved.

President Dixon opened the public comment period.

Ty Schuiling, SANBAG, stated that he fully supports the idea of reform and encouraged SCAG to continue with its efforts.

Mary Ann Krause, former Mayor of Santa Paula, stated that she does not support any major reform at this time until immigration issues have been dealt with at the Federal level.

Mr. Ikhata stated that he met with Lynn Jacobs and Cathy Creswell from HCD, and he does not anticipate any major reform being pursued with the existing HCD staff. Mr. Ikhata also stated that Ms. Jacobs has offered to come and speak to this task force.

Mr. Ikhata emphasized that in order to move forward effectively, it is important for the task force to provide specific direction to Mr. Madrid, so that he can come back to the next meeting with a report providing guidance and strategy on procedural issues to be developed. Joann Africa, Interim Chief Counsel, provided a summary of next steps for Mr. Madrid: 1) report back with respect to understanding SCAG's methodology, how we undertake the numbers and what we receive from the state; 2) report back with possible types of reform, which would include a ballot measure eliminating the RHNA or legislation addressing the fixes within the current law; 3) consider having the subregions bypass SCAG and work directly with the state and cities; 4) legislation that would provide funding for RHNA, whether it be for SCAG or subregions who undertake the delegation; 5) SCAG staff working directly with local planners to obtain the RHNA numbers before going through the process; 6) legislation regarding adoption of a State Land Use Plan, 7) addressing cross-county housing issues; and 8) addressing social issues such as immigration.

5.0 CHAIR'S REPORT

President Dixon stated that the next meeting will be held on November 17th, and participants may attend that meeting and all subsequent meetings via teleconference or video conference if they so choose. He further stated that initially the task force will meet bi-monthly. He suggested that the meetings be attended by relevant staff and legislative advocates, in addition to the task force members.

6.0 STAFF REPORT

Joe Carreras informed the task force members that all meeting agendas and materials relating to topics of discussion will be posted on the Housing Page of SCAG's website.

7.0 FUTURE AGENDA ITEMS

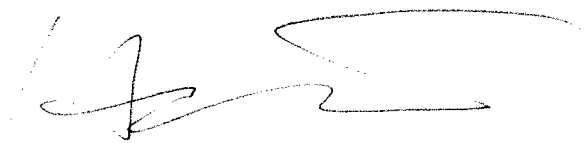
Mr. Madrid will present his strategy report.

8.0 ANNOUNCEMENTS

There were no announcements.

9.0 ADJOURNMENT

The Chair adjourned the meeting at 12:10 PM.



HuaSha Liu, Director
Planning Methods, Assessment
& Compliance

REPORT

DATE: November 18, 2008

TO: Regional Housing Needs Assessment Task Force

FROM: Joseph Carreras, Program Manager II, Carreras@scag.ca.gov, 213.236.1856 *J*

SUBJECT: SCAG Report #2: Guiding Principles and Reform Options

RECOMMENDED ACTION:

Adopt guiding principles to frame the discussion and parameters for RHNA Reform deliberations.

BACKGROUND:

Based on the deliberations of the RHNA Task Force at its October 28, 2008 meeting, a set of principles were prepared to guide future work. In addition, a set of program initiatives were identified with pros and cons related to a wide set of alternatives for the Task Force to review and discuss. The report was prepared by the SCAG consultant, Mike Madrid and Associates, and is attached.

Reviewed by:

Ping Chang for
Department Director

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Reviewed by:

Ping Chang for
Department Director

November 11, 2008

TO: SCAG RHNA Reform Task Force Members

FROM: Mike Madrid, Madrid and Associates

RE: Follow Up Report on RHNA reform committee meeting

OVERVIEW

Following the initial meeting of SCAG's RHNA reform task force on October 28, 2009, it is clear that there exists considerable room for improvement at all levels of the RHNA process. Those levels include: State mandated activity and processes, SCAG's RHNA process (including internal methodology and forecasting, and greater transparency in the allocation process) and public involvement and input at the local level.

The task force identified the need for guiding principles to frame the discussion and parameters for reform. Then it worked to find areas of common agreement to integrate those principles with the existing goals of RHNA, and then finally, the task force made suggestions (and directed staff to return with others) on specific reforms that would bring those guiding principles and RHNA goals together.

GUIDING PRINCIPLES

Such a broad scope of work naturally will require a multi-faceted approach towards reforms, recognizing that the pursuit of reforms at any one level will naturally affect the dynamics of the others. As such, the task force's discussion indicated a set of guiding principles to serve as the premise for reforms. Consensus in the task force developed delineating the premise that it is imperative that all sought after reforms reflect two "guiding principles".

First, **"Local governments shall be equal partners with the state government, in their collective responsibility of developing, establishing and implementing a RHNA planning and goal setting process"**;

Second **"There must be both greater and sufficient input and involvement in the RHNA fair share goal setting process from the public, local elected officials and appropriate stakeholder groups to engender community trust, support and confidence in the process and outcomes."**

Inherent in these principles is, among other things, the supposition that all processes; funding, methodology, allocation, and achieving consensus, include the local government

and the public as **equal** partners with state government in the decision making and implementation process.

The belief and commitment to pursue reforms under these two guiding principles represent a significant shift in the way the RHNA process is currently conducted. The process is currently constructed as a state mandated way to achieve greater affordable housing supply with local governments serving as little more than the means to implement those mandates.

AREAS OF AGREEMENT AND COMMON GROUND

While there is significant support for reforming RHNA, the task force also worked to find common ground and areas of agreement on the objectives that RHNA seeks to address. For example, the beliefs that housing is good for the economy, that planning needs to be made to accommodate future growth, and the need for state and local governments to ensure the existence of housing at all levels of affordability.

It was evident that while some areas of common agreement were identified, many more likely exist and may need to include a broader group than just the working task force. This wide area of potential for agreement leaves SCAG policy makers and staff with a wide range of alternatives. At this initial meeting, the task force presented a number of ideas for reforms, but also recognized that future discussions should include both more options – and possibly more participants.

The following potential scenarios should be considered in seeking RHNA reform

(1) Pursuing a Ballot Measure

The erosion of local land-use authority since the creation of housing element law has been noted in local government circles for many years. This undermining of local control and local land use authority has resulted in significant tension between the state government and local governments and is embodied most directly in the RHNA process. There was much discussion by SCAG staff, the consultant, and committee members on how this dynamic makes significant RHNA reform very unlikely as negotiated reform through legislation typically results in a stalemate among constituencies and stakeholders. Sacramento has demonstrated very little proclivity to re-assert the authority of local government in the land use decision making process. As such, two potential ballot measures were discussed:

(A) A measure that would reassert the primacy of local governments in the land use process, and constitutionally protect the local government as the ultimate arbiter of land use decisions, and

(B) A measure that would require voter approval of each jurisdictions RHNA allocation numbers as the best way of engaging public consensus and input into the process.

PRO – By seeking a constitutional amendment, local governments would be siding with quantifiable public opinion on the question of what level of government should be making land use decisions. The very discussion and obvious depth and breadth of support from throughout the state would likely create an environment more amenable to reform in the legislature and regulatory agencies.

Additionally, the successful passage of a constitutional measure would prohibit the erosion of local land use authority and the historical tendency of state government to encroach on the primacy of local control.

CON – The pursuit of ballot measures as a means of reform is a difficult and potentially expensive proposition. Simply qualifying an initiative can cost between \$2-\$3.5 million including signature gathering efforts, research, legal and consulting fees. SCAG is also not structured as an organization that can legally involve itself in initiative efforts. While SCAG can be consulted on the drafting and policy effects, any advocacy efforts would need to be taken on by other private sector parties.

As a policy matter, the practical affect of passing such measures could conceivably result in a dramatic reduction in the amount of affordable housing units that are approved and constructed. This is because it is also conceivable that the voting public may be less likely to approve affordable housing units than elected officials.

(2) Pursuing Legislative Reform

Because there is so much state housing law involved in the RHNA process, there will naturally have to be involvement, even if only at a cursory level, on the part of the state legislature. The legislature's involvement could range from the placement of a constitutional or statutory amendment reform measure before voters (highly unlikely) to the convening of a legislative hearing on RHNA reform (more likely).

The challenge of a legislative strategy will be to astutely move a legislative package that positions SCAG as a credible threat capable of making significant changes while also leveraging the view in the legislature that it as a driving force on behalf of MPO's statewide.

History suggests that while an aggressive legislative strategy is necessary to engage statewide leaders in a RHNA reform debate, the chances for a successful conclusion are highly unlikely. As such, a legislative strategy should be considered as part of a dual (or multi) track strategy along with seeking reforms via the statewide ballot or while internal SCAG reforms are being considered.

It is also imperative that a legislative advocate deal specifically with this issue. Two potential areas for legislative reform are:

(A) Provide state funding for SCAG or subregions (via delegation) to undertake RHNA

One of the guiding principles suggests that the state and local government be “equals” in the RHNA process. This necessarily requires the elimination of unfunded mandates. Too often, unfunded mandates “tip the balance” of decision making toward the state and up-end the primacy of local land use authority.

One of the largest burdens of the RHNA process for SCAG is the lack of funding. SCAG did not receive any funding from the State for the last RHNA cycle. Instead of charging its jurisdictions a fee, SCAG chose to use its General Fund to finance the process. During the last cycle, subregions agreeing to subdelegation were given some funding from SCAG but the amount given was intended to only cover subregional appeals and not the entire RHNA process.

PRO: The RHNA process is currently an unfunded state mandate. More funding, particularly that from a permanent source would lift a tremendous burden on SCAG and its member jurisdictions. Collecting fees from SCAG cities would add another obstacle to the RHNA process and would require more resources to undertake. A funding formula for a local fee-based approach to implement a state planning mandate also sets a bad precedent. In addition, financial support for subregions would encourage more subregions to accept delegation and have more direct influence on the process.

CON: None

(B) Develop incentives for local governments to do affordable housing

Although current housing law places requirements on jurisdictions to provide affordable housing, it does not provide incentives for local governments to actively pursue affordable housing. The RHNA allocation for each jurisdiction is only a minimum of what is needed and without incentives jurisdictions are not particularly motivated to go beyond the minimum. Proposed incentives could include local self-certification, priority for state funding when local plans are consistent with the RHNA/SCS/RTP, and CEQA streamlining.

PRO: Not only would incentives promote more jurisdictions to comply with their affordable housing allocation, but it could possibly produce more than the minimum required by statute.

CON: Although incentives would promote more affordable housing, it is not necessarily a guarantee that jurisdictions will pursue this type of housing. Some jurisdictions will not encourage affordable housing beyond the minimum required in state housing law and will only include more affordable housing if required to do so.

(3) Internal SCAG RHNA Reforms

The task forces initial discussion also demonstrated that there is a lot of room for reform to be made in the way SCAG conducts its RHNA process internally. While it is impossible to have every party be content with an undertaking of the size and scope of the previous RHNA allocation process in SCAG's region, there are clearly a number of processes that can be examined and reviewed for improvement.

Three recommendations for consideration are:

(A) Have subregions work directly with State HCD regarding RHNA allocation

Under current housing law, subregions have the opportunity to accept subregional delegation during the RHNA process. By accepting subregional delegation, a subregion could assume the responsibilities of RHNA outreach, revision, and appeal process. As an incentive, the subregion would not receive any reallocation distribution as a result of successful appeals conducted by SCAG. Out of fourteen subregions only three, South Bay, Los Angeles City, and Ventura, accepted subregional delegation during the last RHNA cycle.

PRO: Had more subregions sought delegation in the RHNA process, SCAG's responsibility would have been much less complex and there may have only been a need to collaborate with HCD on determining the regional share of statewide housing need. Allowing subregions to bypass SCAG and work directly with HCD is not permitted, but changing this would also allow for more local control since local jurisdictions would have immediate influence on their own allocation. It would also remove much of the financial burden associated with the RHNA process from SCAG.

CON: Requiring subregions to work directly with HCD would place a substantial burden on individual subregions that might not have enough funding or staffing to address the RHNA process alone. Moreover, collective agreement on an allocation plan is needed to ensure a "fair share" and not just an "individual share" allocation plan that is perceived as socially equitable and provides a balance in development that improves housing choices, balances jobs and housing, and reduces commutes. By-passing SCAG entirely could turn RHNA into an "individual share" allocation plan.

(B) SCAG staff to work with local planners in development of RHNA numbers

SCAG staff during the last RHNA cycle used a variety of resources to determine an HCD-approved draft RHNA allocation. These sources included 2004 RTP projections, California Department of Finance projections, and local input. Local input was gathered in the forms of subregional workshops, one-on-one meetings with jurisdictions, and comments received throughout the process. This proposed scenario would encourage SCAG to increase the participation of local planners in the development of the RHNA allocation.

PRO: Local jurisdictions would have more direct influence on their RHNA allocation. In addition, it would lessen the confusion of the how the RHNA allocation was determined due to the increased participation.

CON: Although increased participation would bring more local planners into the public process, it is conceivable that this could not be accommodated by a tight schedule. Too much input could cause delays in the process and could constrain SCAG from meeting required deadlines for the RHNA process.

(C) Addressing cross-county housing issue

Current housing law requires that the RHNA consider various factors in its methodology, one of them being each jurisdiction's job-housing balance. Many residents work in one county and reside in another, which exacerbates traffic congestion, increases VMT, and increases greenhouse gas emissions. A possible goal would be encourage cities to provide enough housing to meet growing employment trends. Each jurisdiction's projected share of employment could be used as a basis for adjusting housing allocations, especially when there is a mismatch between residential development expected and employment growth across a region or subregion. This could be achieved by incentives for infill or TOD-related housing, or by requiring that jurisdictions build a certain amount of housing for every new job created.

PRO: Addressing the job-housing balance would alleviate traffic congestion, reduce VMT, and decrease greenhouse gas emissions. In addition, it could potentially create mixed-use, walkable, and accessible neighborhoods that increase the quality of life for its residents.

CON: Requiring jurisdictions to dramatically improve upon the job-housing balance could potentially conflict with a community's General Plan. This would not be very well received by communities that have zoned for employment growth and not for accompanying housing demand.

NEXT STEPS AND A COURSE OF ACTION

We have a very tight and narrow timeframe to accomplish a lot if we are to see success in the 2009 legislative session. It will require us to move on at least four simultaneous tracks at once as we develop a legislative agenda for next year.

Those four tracks are:


- 1) **INTERNAL** - It will be important to ascertain the level of internal commitment SCAG has for reform on RHNA. The work of the task force should conclude no later than December to present to the full SCAG board, its report and recommendations in January. This report should include direction on submitting or not submitting an ACA/SCA for legislative consideration of a constitutional amendment, as well as specific legislative reforms.

- 2) **EXTERNAL** – Meetings with private sector coalition partners as well as potential allies in local governments should begin immediately (November 2008). Gauging levels of support for a possible ballot measure campaign as well as support for a legislative package should be determined as early as possible. The support and opposition of these groups to various aspects of the package presented to the full SCAG board should be available in January.
- 3) **PUBLIC** – An essential element of demonstrating strength for our position, as well as depth and breadth of support for reform must come from the public. We should seek out private sector partners to assist in quantifying public support for guiding principles as well as possible ballot measure language and RHNA reforms through polling and/or focus group research.
- 4) **LEGISLATIVE** – By February 2009 we should have determined priorities for the legislative effort and identified potential authors for legislation. Meetings with potential authors should begin in December of 2008.

MEMO

DATE: November 18, 2008

TO: Regional Housing Needs Assessment Task Force

FROM: Joseph Carreras, Program Manager II, Carreras@scag.ca.gov, 213.236.1856 

SUBJECT: Draft Westside Cities Workforce Housing Study dated November 2008


BACKGROUND:

This is a recently completed example of how communities may promote workforce housing to meet their RHNA targets for middle income households. It describes how land use planning integrates with transportation planning, GHG reduction, RHNA and job housing balance, and how such efforts can help reduce commutes, vehicle miles traveled (VMT) and congestion with housing element program planning involving both employers and local government in job rich areas. A draft power point presentation is attached showcasing the work in progress.

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Southern California Association of Governments



Westside Cities Workforce Housing Study

About the Study

☛ Looked at Westside Cities + portion of Los Angeles

- Concerned about high housing costs and economic vitality
- Study could be replicated for other subregions

☛ Workforce housing is important because...

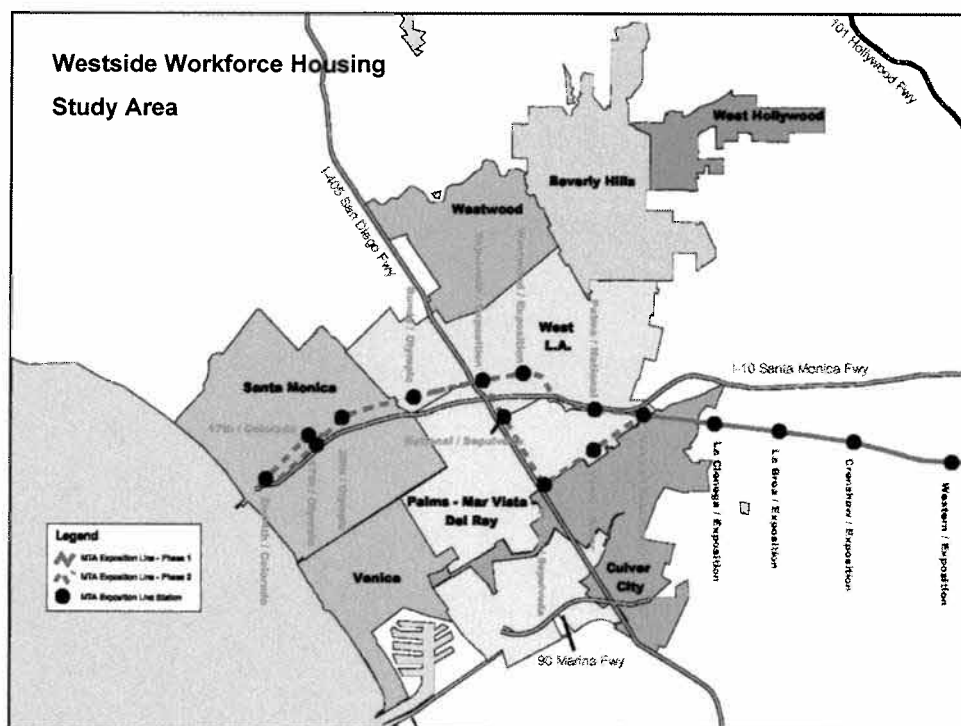
- High housing prices leads to long commute distances for many workers
- This contributes to GHG emissions, air pollution, traffic congestion
- Long commutes also costs employers money and lowers productivity of workers

☛ Key to maintaining both strong economic base and reduced traffic congestion



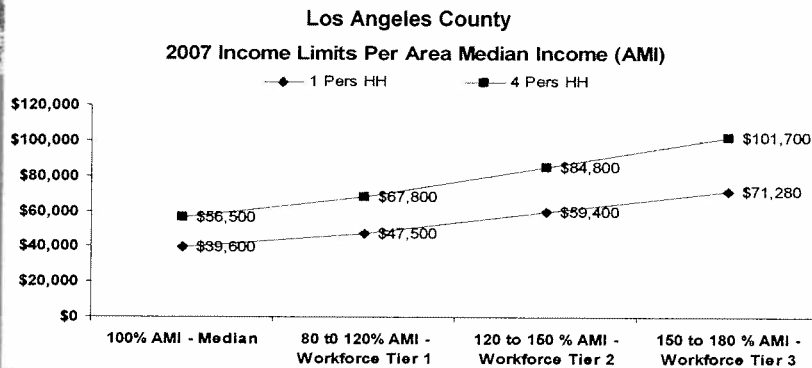
Overview of Study Process

- Define Study Area and Workforce Housing Income Levels
- Data Collection & Analysis
- Assess Workforce Housing Needs
- Conduct Outreach to Large Employers
- Review Regulatory Opportunities and Barriers
- Analyze Development Economics
- Identify Tools and Strategies
- Develop Implementation Strategy Options
- Final Report



Workforce Housing Definition

- Households with persons who work in Study Area, with household incomes from 80 to 180 % Area Median Income (AMI)
- Further defined so that local jurisdictions can select targeted households
 - Tier 1 – 80 to 120% AMI (“moderate” income for Housing Elements)
 - Tier 2 – 120 to 150% AMI
 - Tier 3 – 150 to 180% AMI



Workforce Housing: Supply

- **Study Area = 400,000 jobs (2000 Census)**
 - 1.6 jobs for every resident who worked in 2000
- **267,000 of these jobs held by workers commuting into Study Area from homes elsewhere (68 % of all workers)**
 - Impacts many other parts of SCAG region as well
- **Study Area lacks sufficient housing supply to accommodate workers**
 - Would need to add 94,000 new housing units to achieve a balance between jobs and employed residents
- **Westside added few new housing units in past 7 years**
 - Total of 9,500 new households added in Study Area since 2000



Workforce Housing: Price

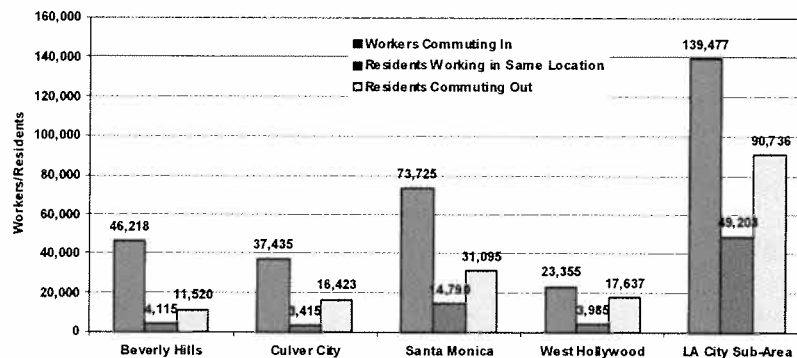
- **Westside workers can only afford for-sale units priced at \$196,000 to \$420,500**
 - Depends on household size and income level
- **Westside housing market is out of reach for many workers' households**
 - Based on January – June 2008 home sale prices, just 3% to 23% of units sold in Study Area were affordable to workforce households (depends on household size and income)
- **Westside workers can only afford monthly rents of \$1,188 to \$2,543**
 - Depends on household size and income level



Workforce Housing: Result

- **As a result, most workers commute in to their jobs**

Commute Flows for Study Area, 2000



Large Employer Findings

Interviews conducted with 13 of largest 50 employers in Study Area

- Targeted top 10 employers in each jurisdiction
- Difficult to get attention, but Sony, ULCA, Chambers of Commerce, and others identified workforce housing as key issue in attracting / retaining workforce

Key new initiatives identified

- UCLA just launched Workforce Housing Master Plan process
 - Seeking infill sites in surrounding areas (to Westwood campus and Santa Monica medical center)
- Los Angeles Unified just launched Teacher Housing Development Initiative on active campuses
 - First RFQ is for Gardena High School site, seeking rental housing for teachers at 120 % AMI
- Los Angeles Business Council conducting Housing Scorecard process to raise awareness of supply issues
 - Event for elected officials held on Sept 5, 2008




Land Use & Housing Plans

- All 5 cities within Study Area currently updating their Housing Elements
- All 5 cities foresee sufficient land zoned to accommodate Regional Housing Needs Allocation (RHNA)
- However, none of cities met prior RHNA goal for 80 to 120% AMI
- Conclusion: Zoning land is not sufficient to produce needed housing affordable to workforce households



Transportation Demand Management Scheme, Santa Monica LUCE



Barriers to Workforce Housing Production

- **Land costs – can range from \$100 to over \$300 per square foot of land in Westside**
 - Projects infeasible for workforce ownership housing above \$50 per square foot
- **Development costs – high for Study Area**
- **Parking standards – high compared to recommendations by SCAG and others**
- **Financial analysis shows that with lower land costs and lower parking requirements, some workforce housing scenarios would be feasible**



Strategies

- **Build Coalitions of Westside Employers and Local Governments**
 - Key finding of study – need to conduct systematic outreach and coalition building to address this segment of housing need
 - Benefit of doing this jointly – can share cost of staff person and integrate with commute-shed
- **Link Workforce Housing Directly to Climate Change Strategies**
 - Trend towards evaluating land use per climate impacts
 - Implementation of state regulations currently evolving
 - SB 35 will further link housing to climate change
 - Recommended Next Step: Research methods to directly link reduction in Vehicle Miles Traveled (VMTs) resulting from workforce housing development to climate change



Strategies

■ Dedicate Land to Reduce Cost of Workforce Housing

- Many creative opportunities exist
 - Publicly-owned lands now used as corp yards, airports, schools, etc.
 - Privately-owned lands for education, medical, etc.
 - Need to creatively think about integrating housing into mixed use projects as facilities are redeveloped
- Recommended Next Step: Identify Sites Through Detailed Analysis

■ Produce Workforce Housing Through Inclusionary Ordinances

- Some inclusionary ordinances in CA have required housing up to 200% AMI
- Recommended Next Step: Develop Model Inclusionary Ordinance for Workforce Housing



Strategies

■ Leverage Available Financing Sources

- Numerous public sources for up to 120 % AMI
- Several private funds for higher AMI levels targeting workforce
- Recommended Next Step: Better Connect Available Funding to Developers and Sites (Marketplace Event)

■ Acquire or Facilitate Purchase of Foreclosed Properties

- Evolving right now per recent federal legislation
- Westside could join together to apply for federal grants and other programs

Strategies

▣ Refine Transit-Oriented Development Incentives

- SCAG offers technical assistance for TOD planning
- Toolkit report recommends Housing + Transportation Costs Index to better evaluate TOD opportunities
- Recommended Next Step: Craft Tailored TOD Workforce Housing Strategy for Each Jurisdiction



Strategies

▣ Mix Incomes and Funding Sources

- Idea of developing workforce housing along with lower income affordable and/or higher income market rate housing
- Requires strong developer capacity and technical expertise
- Recommended Next Step: Fund joint staff or consultant expertise to share among Westside



Working Artists Ventura

Strategies

■ Additional Strategies for Local Consideration

- Streamlined Entitlement Processing
- Modular Green Housing
- Affordability by Design / Reduced Parking Requirements
- Homeownership Counseling
- Workforce Downpayment and Mortgage Programs
- Lease – Purchase Programs
- Limited Equity Co-Ops

